

## Message Text

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PAGE 01 ISTANB 01489 291329Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 IO-13 AGRE-00 /093 W  
-----301033Z 050610 /13

R 291242Z APR 77  
FM AMCONSUL ISTANBUL  
TO AMEMBASSY ANKARA  
INFO SECSTATE WASHDC 8751  
AMCONSUL ADANA  
AMCONSUL IZMIR

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E.O. 11652: N/A  
TAGS: EFIN, EALR, PFOR, TU  
SUBJECT: TURKISH PAYMENTS CRISIS

REF: ANKARA 3188

1. TURKEY'S PAYMENTS CRISIS DESCRIBED REFTEL AS FAR  
AS WE HAVE BEEN ABLE TO JUDGE IS NOT GENERALLY REALIZED BY THE  
TURKISH BUSINESS COMMUNITY HERE. THEY ARE OF COURSE AWARE THAT  
TURKEY'S RESERVES HAVE BEEN DECLINING PRECIPITOUSLY BUT WE HAVE  
BEEN AMAZED AT THE CALM WITH WHICH MOST BUSINESS LEADERS SEEM TO  
VIEW THESE NEGATIVE DEVELOPMENTS. BY CONTRAST THEY ARE DEEPLY  
CONCERNED OVER THE PROSPECTS FOR THE TURKISH ELECTIONS. THE  
PREVAILING VIEW IS THAT NEITHER PARTY WILL OBTAIN AN OUTRIGHT  
MAJORITY THUS TURKEY WILL BE FACED WITH A SITUATION SIMILAR TO THAT  
WHICH OCCURRED FOLLOWING THE 73 ELECTIONS. WHILE SOME SPEAK  
HOPEFULLY OF A GRANT ALLIANCE BETWEEN THE JP AND RPP, MOST  
CONCEDE THAT THIS IS WISHFUL THINKING AND THAT THERE IS LITTLE  
LIKELIHOOD THAT THIS COULD OCCUR. NONE AT PRESENT SEEM TO HAVE  
CONSIDERED THE POSSIBILITY THAT A FINANCIAL CRISIS COULD INJURE  
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DEMIREL'S IMAGE TO THE EXTENT THAT THE RPP COULD GLEAN A LARGE  
INCREASE IN PARLIAMENTARY REPRESENTATION,, OR EVEN A MAJORITY.

2. THERE HAS OF COURSE BEEN INCREASING CONCERN ON THE PART OF  
THE FOREIGN BANKING COMMUNITY HERE OVER TURKEY'S BALANCE OF  
PAYMENTS AND ITS SERIOUS FOREIGN EXCHANGE SHORTAGE. ONE BANKER  
BEMOANED THE FACT THAT THERE WAS JUST NO HARD INFORMATION

CONCERNING FOREIGN EXCHANGE RESERVES. THEY MUST BE SEVERELY DEPLETED, HE SAID, SINCE WITHIN THE LAST COUPLE OF DAYS A LETTER OF CREDIT WHICH NORMALLY WOULD HAVE BEEN HONORED BY A PRIME CENTRAL BANK CORRESPONDENT (U.S.) HAD BEEN REFUSED PAYMENT BECAUSE OVERDRAFT FACILITIES HAD ALREADY BEEN EXCEEDED. THIS TRANSACTION INVOLVED THE IMPORT OF RAW MATERIAL (RUBBER) FOR ONE OF THE U.S.-OWNED TIRE COMPANIES.

THE LOCAL REPRESENTATIVE OF A U.S. BANK CONFIRMED THIS REPORT, AND SAID THAT THERE HAD BEEN ADDITIONAL, SIMILAR OCCURRENCES WITHIN THE PAST WEEK. HIS MAJOR CONCERN WAS THAT SOME CONVERTIBLE LIRA DEPOSITORS MIGHT REACT TO SUCH NEWS BY REFUSING TO ROLL OVER DEPOSITS, PUTTING FURTHER STRAIN ON OFFICIAL TURKISH RESERVES. OGDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT REFORM, NATIONAL ELECTIONS, CONVERTIBLE RESERVES, GOVERNMENT DEBTS, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977ISTANB01489  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** dee0cba3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ANKARA 3188  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 07-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2785773  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TURKISH PAYMENTS CRISIS  
**TAGS:** EFIN, EALR, PFOR, TU  
**To:** ANKARA  
**Type:** TE  
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